

# Annual General Meeting

## Class A Shareholders:

May 12, 2015  
7 pm at the Town Centre Hotel  
Powell River, BC

## Auditors' Report

### On Summarized Consolidated Financial Statements

#### To the Members of First Credit Union:

We have audited the accompanying summarized consolidated financial statements of First Credit Union, which comprise the summarized consolidated balance sheet as at December 31, 2014 and the summarized consolidated statement of income and cash flows for the year then ended and related notes, which are derived from the audited consolidated financial statements of First Credit Union for the year ended December 31, 2014. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated March 24, 2015. Those consolidated financial statements, and the summary consolidated financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those consolidated financial statements.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited

consolidated financial statements of First Credit Union.

### Management's Responsibility for the Summarized Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these summarized consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of summarized consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these summarized consolidated financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, Engagements to Report on Summary Financial Statements.

### Opinion

In our opinion, the summarized consolidated financial statements, derived from the audited consolidated financial statements of First Credit Union present fairly, in all material respects, the financial position of First Credit Union.

### Powell River, BC March 30, 2015

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A Partnership of  
Incorporated Professionals  
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## Making Meaningful Community Impact

**Powell River**  
4721 Joyce Avenue  
Powell River, BC V8A 3B5  
Tel: 604-485-6206  
1-800-393-6733

**Texada Island**  
2021 Legion Road  
Van Anda, BC V0N 3K0  
Tel: 604-486-7851  
1-800-361-9933

**8th Street Location**  
426 – 8th Street  
Courtenay, BC V9N 1N5  
Ph: 250-334-3443  
1-800-655-5255

**Bowen Island**  
106-996 Dorman Road  
PO Box 190  
Bowen Island, BC V0N 1G0  
Tel: 604-947-2022  
1-866-947-2022

**Cumberland**  
2717 Dunsmuir Ave.  
PO Box 138  
Cumberland, BC V0R 1S0  
Tel: 250-336-2272

6  
communities



40,000  
members/  
clients



Follow us on Facebook and Twitter to discover the impact First Credit Union is having in your community.

[www.firstcu.ca](http://www.firstcu.ca)



# Balance Sheet

Summary of the Consolidated Balance Sheet as at December 31, 2014

| ASSETS  | 2014                 | 2013                 |
|---|----------------------|----------------------|
| Cash  | \$4,082,689          | \$15,504,825         |
| Treasury Deposits                                   | \$15,919,900         | \$13,233,781         |
| Income Taxes Recoverable                            | -                    | \$102,041            |
| Investments and Other Assets                        | \$3,959,328          | \$3,518,782          |
| Loans and Notes Receivable (net of allowance)       | \$231,876,874        | \$208,067,036        |
| Property, Plant and Equipment (net of amortization) | \$5,271,474          | \$5,388,036          |
| Intangible Assets (net of amortization)             | \$971,522            | \$986,467            |
| Goodwill  | \$12,370,036         | \$12,370,036         |
|   | <b>\$274,451,823</b> | <b>\$259,171,004</b> |
| LIABILITIES   |                      |                      |
| Accounts Payable                                    | \$2,033,096          | \$1,972,421          |
| Demand Deposits                                     | \$130,003,216        | \$123,674,222        |
| Accrued Interest and Dividends                      | \$1,369,156          | \$1,407,363          |
| Deferred income                                     | \$68,937             | -                    |
| Income Taxes Payable                                | \$74,600             | -                    |
| Deferred Income Taxes                               | \$213,297            | \$223,917            |
| Term Deposits                                       | \$67,094,236         | \$68,768,328         |
| Registered Savings Plan Deposits                    | \$43,333,640         | \$40,375,111         |
| Loan from Central1                                  | \$7,800,000          | -                    |
| Capital Lease Obligations                           | \$46,036             | \$49,740             |
| Non Equity Shares                                   | \$697,101            | \$1,778,212          |
|   | <b>\$252,733,315</b> | <b>\$238,249,314</b> |
| MEMBERS' EQUITY                                     | <b>\$21,718,508</b>  | <b>\$20,921,690</b>  |
|   | <b>\$274,451,823</b> | <b>\$259,171,004</b> |

# Statement of Income

Summary of the Consolidated Statement of Income and Retained Earnings for the year ended December 31, 2014

|                                       | 2014                | 2013                |
|---------------------------------------|---------------------|---------------------|
| Financial Income                      | \$8,525,603         | \$8,085,801         |
| Financial Expenses                    | \$3,194,975         | \$3,233,237         |
| Provision for Credit Losses           | \$138,488           | \$70,867            |
| Financial Margin                      | \$5,192,140         | \$4,781,697         |
| Other Income                          | \$7,959,226         | \$7,645,821         |
| Operating Margin                      | \$13,151,366        | \$12,427,518        |
| Operating Expenses                    | \$11,412,203        | \$11,189,420        |
| Loss on Disposal of Assets            | (\$98,690)          | (\$39,699)          |
| Net Income Before Income Tax          | \$1,640,473         | \$1,198,399         |
| Provision for Income Tax              | \$240,789           | \$205,685           |
| <b>NET INCOME</b>                     | <b>\$1,399,684</b>  | <b>\$992,714</b>    |
| Retained Earnings, Beginning of Year  | \$14,002,848        | \$13,043,312        |
|                                       | <b>\$15,402,532</b> | <b>\$14,036,026</b> |
| Dividends                             | (\$273,055)         | (\$269,962)         |
| Amortization of Contributed Surplus   | <b>\$7,257</b>      | <b>\$236,784</b>    |
| <b>RETAINED EARNINGS, END OF YEAR</b> | <b>\$15,136,734</b> | <b>\$14,002,848</b> |

# Statement of Cash Flows

Summary of the Consolidated Statement of Cash Flows, December 31, 2014

|  | 2014                | 2013                |
|--|---------------------|---------------------|
| Cash Flows From (Used In) Operating Activities       | (\$15,392,253)      | \$7,678,614         |
| Cash Flows From (Used In) Financing Activities       | \$7,193,768         | (\$694,032)         |
| Cash Flows From (Used In) Investing Activities       | (\$537,532)         | \$548,571           |
| Net (Decrease) Increase in Cash and Cash Equivalents | (\$8,736,017)       | \$7,533,153         |
| Cash and Cash Equivalents, Beginning of Year         | \$28,738,606        | \$21,205,453        |
| <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>        | <b>\$20,002,589</b> | <b>\$28,738,606</b> |

A complete set of financial statements is available from First Credit Union. Please contact your nearest branch for details.

